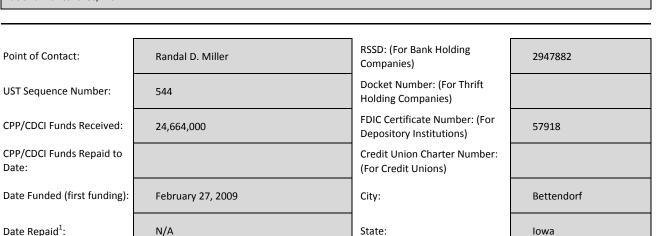


(Include Holding Company Where Applicable)

National	Bancshares.	Inc.



¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Х	ncrease lending or reduce lending less than otherwise would have occurred.
	Based on the Holding Company's prior capital injection in the subsidiary bank, the Bank has continued to make loans.







National Bancshares, Inc.		
Х	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
	Primarily commercial mortgages.	
	Increase securities purchased (ABS, MBS, etc.).	
	Make other investments.	





(Include Holding Company Where Applicable)		1789
Na	National Bancshares, Inc.	
	Increase reserves for non-performing assets.	
X	Reduce borrowings.	
	The Company has continued to reduce its outstanding debt.	
	Increase charge-offs.	
	Increase charge-ons.	







(Ind	clude Holding Company Where Applicable)	1789	
Na	National Bancshares, Inc.		
	Purchase another financial institution or purchase assets from another financial institution.		
	Held as non-leveraged increase to total capital.		



NAME OF INSTITUTION

National Bancshares, Inc.

(Include Holding Company Where Applicable)

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?				
The capital downstreamed by the Company has supported the subsidiary bank's capital ratios at levels sufficient to meet its regulatory				
requirements.				



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

National Bancshares, Inc.				
What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds? The Company would not have been able to assist its subsidiary bank on the funding of loans or to reduce its overall debt.				



(Include Holding Company Where Applicable)



National Bancshares, Inc.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.		